



Control Number: 47315



Item Number: 6

Addendum StartPage: 0



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PUBLIC UTILITY COMMISSION
FILING CLERK

July 06, 2017

Attn: Public Utility Commission of Texas
1701 N. Congress Avenue
PO Box 13326
Austin, TX 78711-3326

RE: DOCKET NO. 47315
APPLICATION OF CHATEAU WOODS MUNICIPAL UTILITY DISTRICT TO AMEND A SEWER CERTIFICATE OF
CONVENIENCE AND NECESSITY IN MONTGOMERY COUNTY

To Whom It May Concern:

The purpose of this letter is to explain the changes to the attached application. The reason for the change is to correct a misunderstanding about the meaning of a dual certification. Dual certification with another CCN is not being requested and the incorrect assumption was that dual certification meant water and sewer. For this reason we have submitted a new application whereby page 4, Item D, is no marked no.

Thank you,

Mark Burdick
936-494-9311
mburdick@l2engineering.com



10





L SQUARED ENGINEERING

MUNICIPAL COMMERCIAL RESIDENTIAL

Project Name:
Chateau Woods MUD
Wastewater CCN Amendment
Application

Prepared for:

Public Utility Commission of Texas
1701 N. Congress Avenue
PO Box 13326
Austin, TX 78711-3326

Prepared by:

E. Levi Love, PE
L Squared Engineering
21123 Eva St., #200
Montgomery, TX 77356

Date Created:

07-06-2017



Table of Contents

1. Instructions for Application.....pg. 3
2. Application.....pg. 6
3. Oath.....pg. 20
4. Maps and Lab Data.....pg. 21
A. Chateau Woods District Map	
B. Chateau Woods Proposed Area Map	
C. Chateau Woods Sewer Map	
D. Metes and Bounds of Proposed Area	
E. Written description of Proposed Area	
F. Laboratory Analysis Report	
5. Financials.....pg. 30
A. Water and Sewer Rates	
B. Assets/Balance Report April 2017	
C. Profit & Loss	



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PURSUANT TO PUC CHAPTER 24, SUBSTANTIVE RULES APPLICABLE TO WATER AND SEWER SERVICE PROVIDERS, SUBCHAPTER G: CERTIFICATES OF CONVENIENCE AND NECESSITY

Application to Obtain or Amend a Water/Sewer Certificate of Convenience and Necessity (CCN)

Instructions and Checklist

Each question on the application must be answered completely. If additional space is needed, attach additional sheets clearly labeled with the applicant's name and Docket Number if available. If a question is not applicable, please mark it N.A. and briefly explain why the question does not apply. DO NOT LEAVE ANY QUESTIONS BLANK.

7 copies of the application package, including the original, must be filed with the commission's filing clerk, per §22.71(c)(9) of the Commission's procedural rules.

The application package is composed of each of the following items:

- Completed application form, including any attachments
- Completed Oath **pg.20**
- Maps: Attach the following hard copy maps with each copy of the application:
 - A location map delineating the proposed service area with enough detail to locate the proposed area within the applicable county or counties. **pg. 21**
 - A map showing only the proposed area by:
 - Metes and bounds survey certified by a licensed state or registered professional land surveyor;
 - Projectable digital data with metadata (proposed areas should be in a single record and clearly labeled);
 - Following verifiable natural and man-made landmarks; or
 - A copy of a recorded plat map with metes and bounds. **pg. 22-26**
 - A written description of the proposed service area. **pg. 27**
 - In addition to the maps provided in accordance with the description listed above, please file separate and additional maps of the requested area to show the following: **pg. 22**
 - for existing facilities, provide a map showing all facilities, illustrating separately facilities for production, transmission, and distribution of the applicant's service(s); and
 - request for service and any customers or area currently being served by the applicant outside the applicant's certificated area(s).
- ❖ **Failure to provide adequate mapping information may result in the delay or possible denial of your application. For information on obtaining a CCN base map or questions about sending digital map data, please visit the Water Utilities section of the PUC's website for assistance. Digital data submitted in a format other than ArcView shape file or Arc/Info E00 file may result in the delay or inability to review applicant's mapping information.**
- The following proposed notices:
 - Notice for publication;
 - Individual notice to landowners with a copy of the proposed CCN map;
 - Individual notice to cities and neighboring systems with a copy of the proposed CCN map; and
 - Notice to current customers, if applicable.
- ❖ **Do not publish or send these proposed notices or maps to landowners, cities, neighboring utilities, or customers until notified to do so in writing by Commission staff after the proposed notices have been reviewed.**
- Current tariff. **pg. 30-34**



- If the applicant is already operating as a utility, the tariff must reflect the applicant's current rates.
- Every investor-owned utility or water supply corporation is required to have a current tariff on file with the Public Utility Commission of Texas (Commission).
- Cities and political subdivisions must provide copies of current rates, service rules, and extension policies.

For **NEW** water or sewer systems **OR** utilities requesting a CCN for the first time:

- Copy of the plan approval letter or evidence that a preliminary engineering report has been filed with the TCEQ. Note: For a new system, you may not a copy of the plan review letter from the TCEQ at the time the CCN application is filed. Please supplement your application filing with a copy of the TCEQ's approval letter once it is received by the TCEQ.
- For new non-profit, water supply or sewer service corporations organized under Chapter 67 of the Texas Water Code, a copy of the by-laws and articles of incorporation must be attached.
- All required approvals from cities, counties, or state agencies for new or improved facility plans associated with the proposed service area.
- Copies of requests seeking service from all water or sewer utilities within 2 miles and their written responses or documentation that they failed to respond.
- Either:
 - a statement that service is not available from systems within 2 miles of the proposed service area; or
 - an explanation explaining why it is not economically feasible to obtain the offered service.
- Five (5) year projected financial plan for new systems (worksheet provided).
 - ❖ **An existing system may be required to provide this item during the technical review phase if necessary for staff to completely evaluate the application.**
- A list of all utilities within five miles of the requested area.

For **EXISTING** water or sewer systems:

- The most recent TCEQ inspection report letter for water and sewer systems and the applicant's response to the TCEQ to address any deficiencies noted in the inspection report. **Pg. 28-29**
- All required approvals from cities, counties, or state agencies for new or improved facility plans associated with the proposed service area.
- Copies of water or sewer treatment capacity purchase agreement or contract for the system for which the CCN is being requested (if receiving wholesale water or sewer).
- Historical profit and loss statement and balance sheet as of the end of the last fiscal year (for existing systems; worksheets are provided if you do not already have your own). **pg. 35-40**
- Utility agreement for decertification and/or dual certification for an area, if applicable and available.
- Articles of Incorporation and current By-Laws for a Texas Water Code Chapter 67 water supply or sewer service corporation, if applicable.
- Current State Comptroller's "Certification of Account Status" for a for-profit corporation, if applicable.

This certification can be obtained at the:

"Texas Secretary of State" website.

or

Comptroller of Public Accounts, Office Management
P.O. Box 13528
Austin, Texas 78711-3528
1-800-252-5555

- City consent or franchise if the applicant operates within the limits of an incorporated city, if applicable.
- Partnership agreement, if applicable.
- A list of all utilities within two miles of the requested area.

For **ALL** water or sewer systems:

- No required filing fee.



- A list of persons requesting service in the requested area including name, address, and phone number.

7 copies of the completed application package, including the original should be sent to:

Filing Clerk
Public Utility Commission of Texas
1701 North Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326





PURSUANT TO PUC CHAPTER 24, SUBSTANTIVE RULES APPLICABLE TO WATER AND SEWER
SERVICE PROVIDERS, SUBCHAPTER G: CERTIFICATES OF CONVENIENCE AND NECESSITY

Application to Obtain or Amend a Water or Sewer Certificate of Convenience and Necessity (CCN)

Docket Number: _____

(this number will be assigned by the Public Utility Commission after your application is filed)

7 copies of the application, including the original, shall be filed with

Public Utility Commission of Texas
Attention: Filing Clerk
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

If submitting digital map data, two copies of the portable electronic storage medium (such as CD or DVD) are required.

Table of Contents

Purpose of Application	2
1. Applicant Information.....	2
2. Location Information.....	3
3. Map Requirements.....	5
4. New System Information or Utilities Requesting a CCN for the First Time	5
5. Existing System Information	6
6. Financial Information	9
7. Notice Requirements.....	10
OATH.....	12
Notice for Publication.....	13
Notice to Neighboring Systems, Landowners and Cities.....	15
Notice to Customers of IOUs in Proposed Area	17



Historical Balance Sheets	19
Historical Income Statement.....	20
Historical Expenses Statement	21
Projected Balance Sheets	22
Projected Income Statement	23
Projected Expenses Statement.....	24
Projected Sources And Uses Of Cash Statements	25

Application to Obtain or Amend a Water or Sewer Certificate of Convenience and Necessity (CCN)

Purpose of Application

<input type="checkbox"/> Obtain	<input type="checkbox"/> New Water CCN	<input type="checkbox"/> New Sewer CCN
<input type="checkbox"/> Amend	<input type="checkbox"/> Water CCN# (s) _____	
<input checked="" type="checkbox"/> Amend	<input checked="" type="checkbox"/> Sewer CCN#(s) <u>20937</u>	

1. Applicant Information.

Applicant

Utility name:Chateau Woods MUD

Certificate number:2283270

Street address (City/ST/ZIP/Code):27351 Blueberry Hill Dr Suite 36 Conroe, TX 77385

Mailing address(City/ST/ZIP/Code):27351 Blueberry Hill Dr Suite 36 Conroe, TX 77385

Utility Phone Number and Fax:281-367-9419

Contact information

Please provide information about the person(s) to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant manager, or other title related to the applicant.

Name:Mark Burdick

Title:Engineer

Mailing address:21123 Eva ST #200, Montgomery, TX 77356

Email:mburdick@l2engineering.com

Phone and Fax:936-647-0420

List all counties in which service is proposed:
Montgomery County



A. Check the appropriate box and provide information regarding the legal status of the applicant:

- ☐ Investor Owned Utility ☐ Individual ☐ Partnership
- ☐ Home or Property Owners Association ☐ For-profit Corporation
- ☐ Non-profit, member-owned, member-controlled cooperative corporation
(Water Code Chapter 67, Water Supply or Sewer Service Corporation)
- ☐ Municipality ☒ District ☐ Other - Please explain:

B. If the applicant is a For-Profit business or corporation, please include the following information:

- i. A copy of the corporation's "Certification of Account Status" from the Texas State Comptroller of Public Accounts.
- ii. The corporation's charter number as recorded with the Office of the Texas Secretary of State: _____
- iii. A listing of all stockholders and their respective percentages of ownership.
- iv. A copy of the company's organizational chart, if available.
- v. A list of all directors and disclose the title of each individual.
- vi. A list of all affiliated organizations (if any) and explain the affiliate's business relationship with the applicant.

C. If the applicant is a Texas Water Code (TWC) Chapter 67 water supply or sewer service corporation please provide:

- i. A copy of the Articles of Incorporation and By-Laws.
- ii. The corporation's charter number as recorded with the Office of the Texas Secretary of State.
- iii. Identification of all board members including name, address, title, and telephone number.
- iv. A copy of the corporation's *Certificate of Account Status* from the Texas Comptroller of Public Accounts.

2. Location Information

- A. Are there people already living in the proposed area? ☒ Yes ☐ No
- If YES, are any currently receiving utility service? ☒ Yes ☐ No
- If YES, from WHOM? Chateau Woods MUD



B. Demonstrate the Need for Service by providing the following:

Have you received any requests for service in the requested service area?

☒ Yes ☐ No **N/A, already providing services to this area outside of current CCN**

If YES, provide the following:

- i. Describe the service area and circumstances driving the need for service in the requested area. Indicate the name(s) and address(es) of landowner(s), prospective landowner(s), tenant(s), or resident(s) that have requested service; and/or
- ii. Describe the economic need(s) for service in the requested area (i.e. plat approvals, recent annexation(s) or annexation request(s), building permits, septic tank permits, hospitals, etc.); and/or
- iii. Discuss in detail the environmental need(s) for service in the requested area (i.e. failing septic tanks in the requested area, fueling wells, etc.); and/or
- iv. Provide copies of any written application(s) or request(s) for service in the requested area; and/or
- v. Provide copies of any reports and/or market studies demonstrating existing or anticipated growth in the requested area.
- vi. If none of these items exist or are available, please justify the need for service in the proposed area in writing.

Note: Failure to demonstrate a need for additional service in the proposed service area may result in the delay and /or possible denial of the application.

C. Is any portion of the proposed service area inside an incorporated city or district?

☒ Yes ☐ No

If YES, within the corporate limits of: Oak Ridge North

Provide a copy of any franchise, permit, or consent granted by the city or district. If not available please explain:

N/A, Chateau Woods MUD has been providing service to the subject tracts for around 30 years. The recorded CCN boundary is incorrect and does not correspond with the district boundary line. This amendment is only correcting the area included in the district boundary, but not included in the CCN boundary.

D. Is any portion of the proposed service area inside another utility's CCN area?

☒ Yes ☐ No

If YES, has the current CCN holder agreed to decertify the proposed area?

If NO, are you seeking dual or single certification of the area? Explain why decertification of the area is in the public interest:

Single Certification. Chateau Woods MUD is or has serviced the subject tracts and desires to align the CCN boundary with their district boundary as assigned by House Bill 2815.



3. Map Requirements

Attach the following hard copy maps with each copy of the application:

- A. A location map delineating the proposed service area with enough detail to accurately locate the proposed area within the county.
- B. A map showing only the proposed area by:
 - i. metes and bounds survey certified by a licensed state or register professional land surveyor; or
 - ii. projectable digital data with metadata (proposed areas should be in a single record and clearly labeled). Also, a data disk labeled with the applicant's name must be provided; or
 - iii. following verifiable natural and man-made landmarks; or
 - iv. a copy of recorded plat map with metes and bounds.
- C. A written description of the proposed service area.
- D. Provide separate and additional maps of the proposed area(s) to show the following:
 - i. all facilities, illustrating separately facilities for production, transmission, and distribution of the applicant's service(s); and
 - ii. any facilities, customers or area currently being served outside the applicant's certificated area(s).

Note: Failure to provide adequate mapping information may result in the delay or possible denial of your application.

Digital data submitted in a format other than ArcView shape file or Arc/Info E00 file may result in the delay or inability to review applicant's mapping information.

For information on obtaining a CCN base map or questions about sending digital map data, please visit the Water Utilities section of the PUC website for assistance.

4. New System Information or Utilities Requesting a CCN for the First Time

- A. Please provide the following information:
 - i. a list of public drinking water supply system(s) or sewer system(s) within a 2 mile radius of the proposed system;
 - ii. copies of written requests seeking to obtain service from each of the public drinking water systems or sewer systems listed in a. 1 above or documentation that it is not economically feasible to obtain service from each entity;
 - iii. copies of written responses from each system or evidence that they did not reply; and
 - iv. for sewer utilities, documentation showing that you have obtained or applied for a wastewater discharge permit.
- B. Were your requests for service denied? ☐ Yes ☐ No



- i. If yes, please provide documentation of the denial of service and go to c.
 - ii. If no, please provide a detailed analysis which justifies your reasons for not accepting service. A separate analysis must be prepared and submitted for each utility that granted your request for service.
- C. Please summarize how the proposed utility system will be constructed and describe each projected construction phase, if any:
- D. Date of plat approval, if required: _____
 Approved by: _____
- E. Date Plans & Specifications submitted to the TCEQ for approval: _____
 Attach copy of approval letter, if available. If the letter is not available by the time your CCN application is submitted, please supplement your application with a copy of the letter once you receive it from the TCEQ.
- F. Date construction is scheduled to commence: _____
- G. Date service is scheduled to commence: _____

5. Existing System Information

A. Please provide the following information for each water and/or sewer system, attach additional sheets if necessary.

i. Water system(s): TCEQ Public Water System identification number(s):

1	7	0	0	0	0	8												

ii. Sewer system(s): TCEQ Discharge Permit number(s)



W Q 1 3 7 0 0 - 0 0 1 ;

W Q - - - - -

W Q - - - - -

W Q - - - - -

W Q - - - - -

W Q - - - - -

- iii. Date of last TCEQ water and/or sewer system inspection(s): 7/21/2016
- iv. Attach a copy of the most recent TCEQ water and/or sewer inspection report letter(s).
- v. For each system deficiency listed in the TCEQ inspection report letter; attach a brief explanation listing the actions taken or being taken by the utility to correct the listed deficiencies, including the proposed completion dates.

B. Provide the following information about the utility's certified water and/or sewer operators

Name	Classes	License Number
Dennis Dickman	C	WW0034213
Richard Tramm	A	WW0004081
Derrick Dickman	C-GW	WG0011043
Paul Farris	C-GW	WG0014437

- Attach additional sheet(s) if necessary -

- C. Using the current number of customers, is any facility component in systems named in #5A above operating at 85% or greater of minimum standard capacity?

- ☒ Yes
☒ No

Attach a copy of the 85% rule compliance document filed with the TCEQ if the system is operating at 85% or greater of the TCEQ's minimum standard capacity requirements.

- D. In the table below, the number of existing and/or proposed metered and non-metered connections (by size). The proposed number should reflect the information presented in the business plan or financial documentation and reflect the number of service requests identified in Question 2.b in the application.

TCEQ Water System			TCEQ Sewer System		
Connection	Existing	Proposed	Connection	Existing	Proposed
5/8" or 3/4" meter	795	N/A	Residential	795	N/A
1" meter or larger	5		Commercial	5	
Non-Metered			Industrial		



TCEQ Water System			TCEQ Sewer System		
Other:			Other:		
Total Water	800		Total Sewer	800	

E. If this application is for a water CCN only, please explain how sewer service is or will be provided:

F. If this application is for a sewer CCN only, please explain how water service is or will be provided:

The water service is provided by City of Oak Ridge North.

G. Effect of Granting a Certificate Amendment.

Explain in detail the effect of granting of a certificate or an amendment, including, but not limited to regionalization, compliance and economic effects on the following:

- i. the applicant,
- ii. any retail public utility of the same kind already serving the proximate area; and
- iii. any landowner(s) in the requested area.

H. Do you currently purchase or plan to purchase water or sewer treatment capacity from another source?

i. ☒ No, (skip the rest of this question and go to #6)

ii. Yes, Water

Purchased on a ☒ Regular ☐ Seasonal ☐ Emergency basis?

Water Source	% of Total Treatment



Water Source	% of Total Treatment

iii. ☐ Yes, Sewer treatment capacity

Purchased on a ☐ Regular ☐ Seasonal ☐ Emergency basis?

Sewer Source	% of Total Treatment

iv. Provide a signed and dated copy of the most current water or sewer treatment capacity purchase agreement or contract.

I. Ability to Provide Adequate Service.

Describe the ability of the applicant to provide adequate service, including meeting the standards of the commission, taking both of the following items into consideration:

- i. the current and projected density; and
- ii. the land use of the requested area.

J. Effect on the Land. Explain the effect on the land to be included in the certificated area.

6. Financial Information

A. For new water and/or sewer systems and for applicants with existing CCNs who are constructing a new stand-alone water and/or sewer system:

- i. the applicant must provide an analysis of all necessary costs for constructing, operating, and maintaining the system, and the source of that capital (such as a financial statement for the developing entity) for which the CCN is requested for at least the first five years. In addition, if service has been offered by an existing retail water service provider as stated in #4.A., but the applicant has determined that the cost of service as finally offered renders the project not economically feasible, the applicant must provide a comparison analysis of all necessary costs for acquiring and continuing to receive service from the existing system for the same period.
- ii. Attach projected profit and loss statements, cash flow worksheets, and balance sheets (projected five year financial plan worksheet is attached) for each of the first five years of operation. Income from rates



should correlate to the projected growth in connections, shown on the projected profit and loss statement.

- iii. Attach a proposed rate schedule or tariff. Describe the procedure for determining the rates and fees and indicate the date of last change, if applicable. Attach copies of any cost of service studies or rate analysis worksheets.

B. For existing water and/or sewer systems:

- i. Attach a profit and loss statement and current balance sheet for existing businesses (end of last fiscal year is acceptable). Describe sources and terms for borrowed capital such as loans, bonds, or notes (profit and loss and balance sheet worksheets are attached, if needed).
- ii. Attach a proposed rate schedule or tariff.

❖ **Note:** An existing water and/or sewer system may be required to provide the information in 6.A.i. above during the technical review phase if necessary for staff to completely evaluate the application

C. Identify any funds you are required to accumulate and restrict by lenders or capital providers.

D. In lieu of the information in #6.A. thru #6.C., you may provide information concerning loan approvals within the last three (3) years from lending institutions or agencies including the most recent financial audit of the applicant.

❖ **Note:** Failure to provide adequate financial information may result in the delay or possible denial of your application.

7. Notice Requirements

A. All proposed notice forms must be completed and submitted with the application. Do not mail or publish the notices until you receive written approval from the commission to do so.

B. The commission cannot grant a CCN until proper notice of the application has been given. Commission rules do not allow a waiver of notice requirements for CCN applicants.

C. It is the applicant's responsibility to ensure that proper notice is given to all entities that are required to receive notice.

D. Recommended notice forms for publication, neighboring cities and systems, landowners with 25 acres or more, and customers are included with this application for use in preparing proposed notices. (Notice forms are available in Spanish upon request.)

E. After reviewing and, if necessary, modifying the proposed notice, the commission will send the notice to the applicant after the application is accepted for filing along with instructions for publication and/or mailing. Please review the notice carefully before providing the notice.

F. Notice For Publication:

The applicant shall publish the notice in a newspaper with general circulation in the county(ies) where a CCN is being requested. The notice must be published once each week for two consecutive weeks beginning with the week after the notice is received from the commission. Proof of publication in the form of a publisher's affidavit shall be submitted to the commission within 30 days of the last publication date. The affidavit shall state with specificity each county in which the newspaper is of general circulation.

G. Notice To Neighboring Utilities:

- i. List all neighboring retail public utilities and cities providing the same utility service within the following vicinities of the applicant's proposed certificate area.
- ii. For applications for the issuance of a NEW CCN, the applicant must mail the notice with a copy of the proposed CCN map to all cities and neighboring retail public utilities providing the same utility service within five (5) miles of the requested service area.



- iii. For applications for the AMENDMENT of a CCN, the applicant must mail the notice with a copy of the proposed CCN map to all cities and neighboring retail public utilities providing the same utility service within two (2) miles of the requested service area.

H. Notice to Customers:

Investor Owned Utilities (IOUs) that are currently providing service without a CCN must provide individual mailed notice to all current customers. The notice must contain the current rates, the date those rates were instituted and any other information required in the application.

- I. The commission may require the applicant to deliver notice to other affected persons or agencies.

Do not publish or send copies of the proposed notices to anyone at the time you submit the application to the commission. Wait until you receive written authorization to do so. Authorization occurs after the commission has reviewed the notices for completeness, and your application has been accepted for filing. Once the application is accepted for filing, you will receive written authorization to provide notice. Please check the notices for accuracy before providing them to the public. It is the applicant's burden to ensure that correct and accurate notice is provided.

